

**Consideration of request for preliminary adoption of new rules to assist with implementation of IC 14-37 governing coal seam protection and coal bed methane wells; Administrative Cause No. 12-189G**

Rules are necessary to administer changes made to IC 14-37 during the 2011 Session of the Indiana General Assembly with passage of Public Law 140-2011. The subjects were previously governed by temporary rules with respect to coal bed methane at LSA Document #12-430(E) which will expire August 1, 2013, and by temporary rules with respect to coal seam protection at LSA Document LSA #12-503(E) which will expire August 15, 2013. The content of the proposed rules for coal bed methane and coal seam protection are nearly identical to the temporary rules.

With respect to coal bed methane wells, the proposed rules establish requirements for the permitting and operation, including protection of the health and safety of underground coal miners. The rules also include requirements for review and approval of hydraulic fracturing plans involving coal bed methane wells.

With respect to coal seam protection, the proposed rules clarify the treatment of commercially minable coal seams and provide for coordination of oil and gas well drilling plans with owners of commercially minable coal seams in order to prevent waste of the coal and to ensure the safety of underground coal miners. The rules also simplify requirements for the construction and completion of a well drilled through a commercially minable coal seam and replace requirements which were thought to be confusing and of questionable value in terms of providing real protection of coal seams and for underground miner safety.

The Division of Oil and Gas recommends approval of the proposed rules for preliminary adoption as set forth below.

**TITLE 312 NATURAL RESOURCES COMMISSION**

**Proposed Rule**  
LSA Document #12-

**DIGEST**

Adds 312 IAC 16 to govern the permitting, spacing, bonding, construction, and completion of coal bed methane wells under IC 14-37; to govern the identification and protection of commercially minable coal resources under IC 14-37; and to otherwise assist with the implementation of P.L.140-2011. The subjects were previously governed by temporary rules at LSA Document #11-432(E), posted at 20110727-IR-312110432ERA; LSA Document #12-430(E), posted at 20120725-IR-312120430ERA; and LSA Document #12-503(E), posted at 20120829-IR-312120503ERA. Effective August 1, 2013.

**312 IAC 16-1-2.5**  
**312 IAC 16-1-7.4**  
**312 IAC 16-1-7.5**  
**312 IAC 16-1-7.6**  
**312 IAC 16-1-8**

**312 IAC 16-1-15.5**  
**312 IAC 16-1-15.6**  
**312 IAC 16-1-28.2**  
**312 IAC 16-1-28.3**  
**312 IAC 16-1-28.4**

**312 IAC 16-1-28.6**  
**312 IAC 16-1-32.5**  
**312 IAC 16-1-42.5**  
**312 IAC 16-1-15**  
**312 IAC 16-1-51.5**

312 IAC 16-5-1  
312 IAC 16-5-2  
312 IAC 16-5-4  
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312 IAC 16-6  
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312 IAC 16-12

SECTION 1. 312 IAC 16-1-2.5 IS ADDED TO READ AS FOLLOWS:

**312 IAC 16-1-2.5 “Additive” or “Additive product” defined**

Authority: IC 14-37-3

Affected: IC 14-37

Sec. 2.5. **“Additive” or “additive product” means any substance or combination of substances having a specified purpose that is combined with a base fluid (typically water) and proppant (typically sand) to create a fluid that is pumped into a formation during the hydraulic fracturing process. Examples of common additives are acids, biocides, breakers, buffers, corrosion inhibitors, crosslinkers, demulsifiers, fluid loss additives, friction reducers, gels, iron control agents, oxygen scavengers, pH adjusting agents, scale inhibitors, stabilizers, and surfactants. (Natural Resources Commission; 312 IAC 16-1-2.5)**

SECTION 2. 312 IAC 16-1-7.4 IS ADDED TO READ AS FOLLOWS:

**312 IAC 16-1-7.4 “Coal bed methane” defined**

Authority: IC 14-37-3

Affected: IC 14-37

Sec. 7.4. **“Coal bed methane” means gaseous substances of whatever character lying within or emanating from:**

- (1) **unmined coal seams, either naturally or as a result of stimulation of the coal seam;**
- (2) **the void created by mining out coal seams; or**
- (3) **the gob created by longwall or other extraction methods of coal mining. (Natural Resources Commission; 312 IAC 16-1-7.4)**

SECTION 3. 312 IAC 16-1-7.5 IS ADDED TO READ AS FOLLOWS:

**312 IAC 16-1-7.5 “Coal lessee” defined**

Authority: IC 14-37-3

Affected: IC 14-37

Sec. 7.5. **“Coal lessee” means a person, other than a coal owner, with a present right to extract coal, including a person having the right by virtue of a lease, sublease, license, mining agreement, grant of a term of years, or similar interest. (Natural Resources Commission; 312 IAC 16-1-7.5)**

SECTION 4. 312 IAC 16-1-7.6 IS ADDED TO READ AS FOLLOWS:

**312 IAC 16-1-7.6 “Coal owner” defined**

Authority: IC 14-37-3

Affected: IC 14-37

Sec. 7.6. "Coal owner" means a person vested with a whole or undivided fee simple interest or another freehold interest in the coal estate. The term does not include a person with a leasehold or another lesser estate. *(Natural Resources Commission; 312 IAC 16-1-7.6)*

SECTION 5. 312 IAC 16-1-15.5 IS ADDED TO READ AS FOLLOWS:

**312 IAC 16-1-15.5 "Division of reclamation" defined**

Authority: IC 14-37-3

Affected: IC 14-37

Sec. 15.5. "Division of reclamation" refers to the division of reclamation established under IC 14-9-4-1(18). *(Natural Resources Commission; 312 IAC 16-1-15.5)*

SECTION 6. 312 IAC 16-1-15.6 IS ADDED TO READ AS FOLLOWS:

**312 IAC 16-1-15.6 "Drilling unit" defined**

Authority: IC 14-37-3

Affected: IC 14-37

Sec. 15.6. "Drilling unit" means the acreage allotted to a production well taking into consideration the maximum acreage that can be efficiently and economically drained by a single well from a specified formation. Owners of oil and gas interests in the allotted acreage are entitled to share in the production from the well. *(Natural Resources Commission; 312 IAC 16-1-15.6)*

SECTION 7. 312 IAC 16-1-28.2 IS ADDED TO READ AS FOLLOWS:

**312 IAC 16-1-28.2 "Horizontal drain hole" defined**

Authority: IC 14-37-3

Affected: IC 14-37

Sec. 28.2. "Horizontal drain hole" means the portion of a wellbore with seventy (70) degrees to one hundred ten (110) degrees deviation from the vertical drilled at least one hundred (100) feet into the producing interval beginning at the point where the wellbore penetrates the producing interval and ending at the farthest point drilled within the producing interval. *(Natural Resources Commission; 312 IAC 16-1-28.2)*

SECTION 8. 312 IAC 16-1-28.3 IS ADDED TO READ AS FOLLOWS:

**312 IAC 16-1-28.3 "Horizontal well" defined**

Authority: IC 14-37-3

Affected: IC 14-37

Sec. 28.3. "Horizontal well" means any well that is developed with at least one (1) horizontal drain hole. *(Natural Resources Commission; 312 IAC 16-1-28.3)*

SECTION 9. 312 IAC 16-1-28.4 IS ADDED TO READ AS FOLLOWS:

**312 IAC 16-1-28.4 "Hydraulic fracturing" defined**

Authority: IC 14-37-3

Affected: IC 14-37

Sec. 28.4. **"Hydraulic fracturing"** means the process of pumping fluids into a closed wellbore with sufficient downhole pressure to crack or fracture the formation, allowing the injection of a proppant into the fractures, thereby creating a high-permeability plane through which fluids can flow. *(Natural Resources Commission; 312 IAC 16-1-28.4)*

SECTION 10. 312 IAC 16-1-28.6 IS ADDED TO READ AS FOLLOWS:

**312 IAC 16-1-28.6 "Indiana geological survey" defined**

Authority: IC 14-37-3

Affected: IC 14-37

Sec. 28.6. **"Indiana geological survey"** refers to the Indiana geological survey established by IC 21-47-2-2. *(Natural Resources Commission; 312 IAC 16-1-28.6)*

SECTION 11. 312 IAC 16-1-32.5 IS ADDED TO READ AS FOLLOWS:

**312 IAC 16-1-32.5 "Material safety data sheet" or "MSDS" defined**

Authority: IC 14-37-3

Affected: IC 14-37

Sec. 32.5. **"Material safety data sheet" or "MSDS"** is a form with data regarding the properties of a particular substance which meets the requirements of the United States Occupational Safety and Health Administration Hazard Communication Standard under 29 CFR 1900.1200. *(Natural Resources Commission; 312 IAC 16-1-32.5)*

SECTION 12. 312 IAC 16-1-42.5 IS ADDED TO READ AS FOLLOWS:

**312 IAC 16-1-42.5 "Proppant" defined**

Authority: IC 14-37-3

Affected: IC 14-37

Sec. 42.5. **"Proppant"** means sized particles, typically sand, mixed with hydraulic fracturing fluid to hold fractures open after a hydraulic fracturing treatment. *(Natural Resources Commission; 312 IAC 16-1-42.5)*

SECTION 13. 312 IAC 16-1-51 IS AMENDED TO READ AS FOLLOWS:

**312 IAC 16-1-51 "Well for oil and gas purposes" defined**

Authority: IC 14-37-3

Affected: IC 14-37

Sec. 51. **"Well for oil and gas purposes"** means a hole drilled, deepened, or converted for any purposes for which a permit is required under IC 14-37 and the rules adopted under that article, including the following:

- (1) An oil or well.

**(2) A natural gas well.**

**(3) A coal bed methane well.**

~~(2) (4) A Class II well under the underground injection control program promulgated under Part C of the Safe Drinking Water Act (Public Law 95-523, as amended by Public Law 96-502, 42 U.S.C. 300f et seq.) and under 40 CFR 124, 40 CFR 144, 40 CFR 145, and 40 CFR 146.~~

~~(3) (5) A structure test well.~~

~~(4) (6) A well used for the sole purpose of supplying water for the secondary recovery of petroleum resources.~~

~~(5) (7) An underground gas storage well. or~~

**(8) An underground gas storage observation well.**

*(Natural Resources Commission; 312 IAC 16-1-51; filed Feb 23, 1998, 11:30 a.m.: 21 IR 2331; readopted filed Nov 17, 2004, 11:00 a.m.: 28 IR 1315; readopted filed Mar 25, 2010, 2:57 p.m.: 20100421-IR-312100033RFA)*

SECTION 14. 312 IAC 16-1-51.5 IS ADDED TO READ AS FOLLOWS:

**312 IAC 16-1-51.5 "Well stimulation" defined**

Authority: IC 14-37-3

Affected: IC 14-37

Sec. 51.5. **"Well stimulation" means a treatment performed to restore or enhance the productivity of a well and consists of either:**

**(1) a fracturing treatment or**

**(2) a matrix treatment.**

**A fracturing treatment is performed above the fracture pressure of the reservoir formation and creates a highly conductive flow path between the reservoir and the wellbore. A matrix treatment is performed below the reservoir fracture pressure and generally is designed to restore the natural permeability of the reservoir following damage to the near-wellbore area.** *(Natural Resources Commission; 312 IAC 16-1-51.5)*

SECTION 15. 312 IAC 16-5-1 IS AMENDED TO READ AS FOLLOWS:

**312 IAC 16-5-1 Well spacing**

Authority: IC 14-37-3-4

Affected: IC 14-37

Sec. 1. (a) This section governs the location and spacing of wells **other than coal bed methane wells.**

~~(b) All wells except those described~~ **Except as provided** in subsections (c) through (d), ~~shall a well must~~ be located not less than:

(1) three hundred thirty (330) feet from a lease line, property line, or subdivision that separates unconsolidated property interests; and

(2) six hundred sixty (660) feet from a well for oil and gas purposes that is not excepted under section 3 of this rule and is capable of production from the same reservoir.

(c) In an established Trenton limestone reservoir, a well shall be located not less than:

(1) one hundred sixty-five (165) feet from a lease line, property line, or subdivision that separates unconsolidated property interests; and

(2) three hundred thirty (330) feet from a well for oil and gas purposes that is not excepted under section 3 of this rule.

(d) All wells drilled deeper than one thousand (1,000) feet for the commercial production of natural gas shall be located on a drilling unit having not less than forty (40) acres of surface lying within a quarter quarter section of land as established by the official public land survey by the rectangular surveying system of the state. These wells shall be located not less than:

(1) three hundred thirty (330) feet from a lease line, property line, or subdivision that separates unconsolidated property interests; and

(2) one thousand three hundred twenty (1,320) feet from a well for oil and gas purposes that is not excepted under section 3 of this rule and is capable of the production of natural gas from the same reservoir.

*(Natural Resources Commission; 312 IAC 16-5-1; filed Feb 23, 1998, 11:30 a.m.: 21 IR 2337; readopted filed Nov 17, 2004, 11:00 a.m.: 28 IR 1315; readopted filed Mar 25, 2010, 2:57 p.m.: 20100421-IR-312100033RFA)*

SECTION 16. 312 IAC 16-5-2 IS AMENDED TO READ AS FOLLOWS:

### **312 IAC 16-5-2 Drilling units**

Authority: IC 14-37-3-4

Affected: IC 14-37

Sec. 2. (a) **Unless otherwise provided in this article**, this section establishes **requirements for** drilling units.

(b) For sandstone reservoirs, every quarter, quarter, quarter section containing ten (10) acres, more or less, as established by the official U.S. Public Lands Survey by the rectangular surveying system for the state.

(c) For all other reservoirs, except in established Trenton limestone reservoirs, half a quarter, quarter section containing twenty (20) acres, more or less, as established by the official U.S. Public Lands Survey by the rectangular surveying system for the state. The use of any portion of one (1) quarter, quarter section with any portion of another quarter, quarter section is prohibited unless approved following an informal hearing conducted under 312 IAC 16-2-3.

(d) For established Trenton limestone reservoirs, half of every quarter, quarter, quarter section containing five (5) acres, more or less, as established by the official U.S. Public Lands Survey by the rectangular surveying system for the state.

(e) An exception to drilling unit requirements may be authorized following an informal hearing under 312 IAC 16-2-3, if the exception is supported by unusual regional or geological characteristics and is conducive to the most efficient and economical recovery of oil and gas.

(f) A drilling unit may be established following an informal hearing under 312 IAC 16-2-3 for those areas not covered by the rectangular surveying system of the U.S. Public Lands Survey. The drilling unit shall conform as nearly as practicable to the drilling unit requirements for reservoirs of similar lithology in those areas covered by the rectangular surveying system.

(g) For irregular sections containing more or less than six hundred forty (640) acres, the department may establish drilling units other than those defined in subsections (b) through (c) of approximately twenty (20) acres or ten (10) acres.

**(h) A drilling unit shall not include more than one (1) well for the production of oil, gas, or coal bed methane.** *(Natural Resources Commission; 312 IAC 16-5-2; filed Feb 23, 1998, 11:30 a.m.: 21 IR 2338; readopted filed Nov 17, 2004, 11:00 a.m.: 28 IR 1315; readopted filed Mar 25, 2010, 2:57 p.m.: 20100421-IR-312100033RFA)*

**Rule 6. Coal Bed Methane Well Permitting**

SECTION 17. 312 IAC 16-6 IS ADDED TO READ AS FOLLOWS:

**312 IAC 16-6-1 Coal bed methane well permit requirements**

Authority: IC 14-37-3-4

Affected: IC 14-37

Sec. 1. (a) This rule establishes permit requirements for coal bed methane wells that are in addition to the requirements of 312 IAC 16-3.

(b) To the extent a requirement in 312 IAC 16-3 conflicts, the requirements of this rule control.

(c) The division shall prescribe forms for use to apply for a coal bed methane well permit. The forms, including instructions for completing the forms, shall include sufficient information to comply with IC 14-37 and this rule. (*Natural Resources Commission; 312 IAC 16-6-1*)

**312 IAC 16-6-2 Coal bed methane well plans**

Authority: IC 14-37-3-4

Affected: IC 14-37

Sec. 2. In addition to the permit application requirements of 312 IAC 16-3, an application for a coal bed methane well permit must include detailed plans for any of the following, if proposed to be conducted under the permit:

(1) Well stimulation operations including the following information:

(A) The source and proposed volume of base stimulation fluid to be used.

(B) A description of each additive product proposed to be included in the well stimulation program including:

(i) The proposed rate or concentration of the additive product expressed, for example, as pounds per thousand gallons, gallons per thousand gallons, pounds per gallon, percent by weight, percent by volume, parts per million, or parts per billion.

(ii) The product name as identified by the manufacturer on the material safety data sheet.

(iii) A description of the type of or purpose for each additive. Examples of additives include acid, biocide, breaker, brine, corrosion inhibitor, crosslinker, demulsifier, friction reducer, gel, iron control, oxygen scavenger, pH adjusting agent, proppant, scale inhibitor, surfactant, and any similar substance.

(iv) A copy of any MSDS for each additive product.

(C) The proposed well stimulation design including the following:

(i) Identification of each coal seam to be stimulated.

(ii) Proposed casing and cementing plan for the well.

(iii) Identification of the principal strata above and below each coal seam.

(iv) The anticipated surface treating pressure range.

(v) The maximum injection treating pressure.

(vi) Face and butt cleat orientation that is known for each coal seam.

(vii) The estimated or calculated fracture half length and fracture height that is known.

(viii) A demonstration that coal seams outside the coal bed methane production area would not be adversely affected by hydraulic fracturing operations and would be adequately protected for future underground mining.

(D) A plan for the flushing of fluids from the well following completion of well stimulation operations including the management and disposal of flow back fluids and solids.

(2) In addition to the requirements in subdivision (1), if hydraulic fracturing operations are proposed, the applicant must identify all of the following which are located within the greater distance of a radius of either five hundred (500) feet or the estimated or calculated fracture half length, from the proposed coal bed methane well:

(A) Known water wells including water wells identified on the online water well record database of the department's division of water.

(B) Known oil or gas wells, test holes, or borings which penetrate the coal seam to be hydraulically fractured.

(3) If a well, test hole, or boring is identified under subdivision (2), and the division determines there is a significant risk it may serve as a potential pathway for well fluids into an underground source of drinking water, the division director may require the applicant to:

(A) perform remedial plugging operations; and

(B) take other reasonable measures, including modifying the hydraulic fracturing plan; so adverse impacts to underground sources of drinking water are not likely to occur as a result of the hydraulic fracturing operations.

(4) If horizontal wells are proposed to be completed in a commercially minable coal resource, the application must include the following information:

(A) The proposed length and orientation of each horizontal drain hole and the measures that would be taken to ensure the drain hole does not deviate into strata above or below the coal seam.

(B) Unless an appropriate written consent is obtained under section 3(3) through section 3(6) of this rule, a plan for plugging and abandoning the horizontal drain hole portion of the well upon abandonment of the well, including types and amounts of plugging materials to plug the horizontal drain hole. The plugging and abandonment plan must include sufficient information to demonstrate the methods and materials used would not result in waste of a commercially minable coal resource.

*(Natural Resources Commission; 312 IAC 16-6-2)*

### **312 IAC 16-6-3 Surface and coal owner notification and written consent to coal bed methane recovery**

**Sec. 3. An application for a coal bed methane well permit must include the following:**

**(1) The names and addresses for the following:**

**(A) The surface owner of the property on which the well is to be located as reflected in the county tax duplicate records or the last known address of the most recent owner shown in the county transfer book.**

**(B) The owners of each coal seam through which the applicant's well would penetrate.**

**(C) Any lessee of a coal seam through which the applicant's well would penetrate.**

**(2) Proof the applicant has complied with notification to the surface owner identified under subdivision (1)(A) as required by IC 32-23-7-6.5. Except as provided under clause (C), notification to the surface owner must follow the sample format prescribed by the division. Any of the following are acceptable for demonstrating proof of surface owner notification:**

**(A) A certified mail receipt accompanied by a copy of the written notification to the landowner;**

**(B) A written statement from the surface owner acknowledging receipt of the notification; or**



(C) A copy of a written agreement with the surface owner establishing different notification terms.

(3) At least one (1) of the following:

(A) written consent to the drilling of the coal bed methane well from any coal owner and coal lessee identified under subdivision (1)(B) and (1)(C); or

(B) proof of notification to the coal owners and coal lessees identified under subdivision (1)(B) and (1)(C) of the applicant's intent to apply for a coal bed methane well permit. Proof of notification to a coal owner or coal lessee may be demonstrated by either of the following:

(i) a certified mail receipt accompanied by a copy of the written notification to the coal owner and coal lessee; or

(ii) a written statement from the coal owner and coal lessee acknowledging receipt of the notification.

(4) If coal is subject to a lease, the written consents provided by a coal owner and a coal lessee under subdivision (3)(A) must include a statement acknowledging the recovery of coal bed methane may result in waste of the commercially minable coal resource.

(5) If coal is not subject to a lease, the written consent provided by the coal owner under subdivision (3)(A) must include a statement the coal owner has not leased the coal for coal mining purposes and acknowledging the recovery of coal bed methane may result in waste of a commercially minable coal resource.

(6) If written consent to the drilling of the coal bed methane well cannot be obtained from a coal owner or coal lessee as required under subdivision (3)(A), in addition to the proof of notification required under subdivision (3)(B), the applicant must submit an affidavit certifying that, upon diligent inquiry, the activities of the applicant with respect to drilling, completing, operating, and abandoning of a coal bed methane well would not result in waste of any commercially minable coal resource and would not endanger the health and safety of underground coal miners. As used in this subdivision, "diligent inquiry" includes reference to the following:

(A) the record of filings maintained by the department and made by coal owners and lessees under IC 14-8-2-47; and

(B) publicly available records pertaining to the thickness and depth of coal that could be regarded as commercially minable coal resources as defined at IC 14-8-2-47.

*(Natural Resources Commission; 312 IAC 16-6-3)*

**312 IAC 16-6-4 Requests to be notified when complete application for coal bed methane well permit is filed**

Authority: IC 14-37-3-4

Affected: IC 14-37

Sec. 4. (a) This section establishes procedures for a person, with experience in mining commercially minable coal resources, to file a request for notification with the division if a complete application for a coal bed methane well permit is filed.

(b) A person wishing to receive a notice under this section must submit a written request to be added to a list which the division shall maintain.

(c) Requests under this section must include the following information:

(1) information sufficient to demonstrate that the person is experienced in the mining of commercially minable coal resources;

(2) the name, title, mailing address, e-mail address, and telephone number of the person to whom notifications shall be sent; and

**(3) the name of the county or counties of interest.**

*(Natural Resources Commission; 312 IAC 16-6-4)*

**312 IAC 16-6-5 Notifications to potentially affected persons upon filing of complete coal bed methane permit application**

Authority: IC 14-37-3-4

Affected: IC 14-37

Sec. 5. (a) This section establishes requirements for notifying potentially affected persons of the filing of complete applications for coal bed methane well permits and for the filing of comments or objections to the issuance of permits for coal bed methane wells.

(b) Upon receipt of an application for a coal bed methane well permit, the division shall review the application to determine whether the application is substantially complete and includes the information required by section 3 of this rule.

(c) If an application for a coal bed methane well permit is not substantially complete, the division shall promptly notify the applicant of what additional information is required. If the applicant fails to respond or does not provide the division with the required additional information within thirty (30) days of notification under subsection (b), the division may return the application to the applicant and terminate the permit review process.

(d) Upon determining an application is substantially complete, the division shall publish notice of the receipt of the permit application on its website. At a minimum, the website shall include the following information:

- (1) Permit filing date and assigned permit number.
- (2) Name and address of the applicant.
- (3) Lease name and well number.
- (4) Well type.
- (5) Location of the proposed well by section, township, range, and county.
- (6) The proposed depth of the well and the coal seams affected.
- (7) Instructions for downloading a copy of the permit application and for filing comments or objections, including the deadline for submitting comments or objections established under subsection (g).
- (8) The address to which comments or objections must be submitted.

(e) Within fifteen (15) days of the date an application is determined under subsection (d) to be substantially complete, the division shall provide written notice of the application filing to the following:

- (1) Each person identified on the division's list of interested persons.
- (2) Any coal owner, lessee, or other person with an interest in developing coal resources who has filed an affidavit with the division under IC 14-37-7-8.
- (3) The surface owner of the property on which the well is to be located as identified under section 3(1)(A) of this rule.

(f) The notification provided under subsection (e) shall include the following:

- (1) The permit filing date, name and address of the applicant, permit number, lease name, well number, well type, and the location of the proposed well by section, township, range, and county.
- (2) The proposed depth of the well and the coal seams affected.
- (3) Instructions for downloading a copy of the permit application from the division's website.

(4) Instructions for the filing of comments or objections, including the deadline for submitting comments or objections under subsection (g).

(5) The address to which comments or objections must be submitted.

(g) The deadline for filing of comments or objections to the division under this section shall be as follows:

(1) For purposes of subsection (d), thirty-three (33) days from the date of publication of the receipt of the complete application on the division's website.

(2) For purposes of subsection (e), thirty-three (33) days from the date of the division's notification letter.

*(Natural Resources Commission; 312 IAC 16-6-5)*

### **312 IAC 16-6-6 Approval or denial of coal bed methane permits**

Authority: IC 14-37-3-4

Affected: IC 14-37

Sec. 6. (a) This section establishes requirements for approval (including approval with conditions) or denial of permits for coal bed methane wells. The requirements of this SECTION are in addition to the permitting requirements of 312 IAC 16-3.

(b) The division shall not issue a permit under this rule unless the following requirements are met:

(1) The comment period provided under section 5(g) of this rule has elapsed.

(2) Proof of both of the following has been submitted by the applicant to the division:

(A) Receipt of the written notice to the coal owner and coal lessee if required under section 3(3) of this rule.

(B) Receipt of the written notice to the surface owner as required under IC 32-23-7-6.5 and section (3)(2) of this rule.

(3) The division has considered:

(A) Any comments or objections received during the comment period provided under IC 14-37-4-8(d)(1) and section 5(g) of this rule.

(B) Objections filed on the basis of waste of a commercially minable coal resource or endangerment to the health and safety of underground coal miners by a person receiving notification under section 5(e) of this rule. The division shall not consider objections submitted by a person who filed an affidavit under IC 14-37-7-8, if the coal owner and any coal lessee have given written consent under section 3(4) or 3(5) of this rule.

(4) The applicant has demonstrated sufficiently under section 2(1)(C)(viii) of this rule that commercially minable coal seams outside the coal bed methane production area are protected for future underground mining.

(5) If well stimulation operations are proposed, the division director has reviewed the plan information provided under section 2(1) of this rule and determined, based on the information provided by the owner or operator and other reasonably available information, that the proposed well stimulation operations do not appear to pose a risk of unreasonably impacting underground sources of drinking water.

(6) Except as provided in section 3(6) of this rule, the applicant submitted proof of consent, under section 3(3)(A) of this rule, by all coal owners and coal lessees.

(7) If all coal owners and coal lessees have not given consent to coal bed methane production under section 3(3)(A) of this rule, and the applicant is proposing to conduct any of the following:

(A) Hydraulic fracturing.

(B) Horizontal drilling in the coal seam.

(C) Another activity that disturbs the integrity of either or both of the following:

(i) the coal seam; or

(ii) the strata surrounding the coal seam;

the permit shall not be issued unless the division director finds, after review of the affidavit submitted by the applicant under section 3(6) of this rule and any other information available to the division director, that the drilling, completion, operation, plugging, and abandonment of the coal bed methane well would not result in waste of a commercially minable coal resource or endangerment of the health and safety of underground coal miners.

(8) The division director makes a written finding that the requirements of this subsection have been met.

(c) Unless waived by the applicant, the division director shall issue or deny a permit under this rule within fifteen (15) days after the lapse of the comment period specified under SECTION 5(g) of this rule.

(d) A permitting decision by the division director is a final agency action and is subject to review by aggrieved or adversely affected persons under IC 4-21.5.

(e) Notice of a permitting decision, including instructions for seeking administrative review under IC 4-21.5, shall be sent by the division director to the applicant and to the following:

(1) Surface owners, coal owners, and coal lessees identified by the applicant under section 3(1) of this rule.

(2) Each person who filed with the division written comments or objections to the permit.

(f) Notice of a permit decision and instructions for filing for review under IC 4-21.5 shall be posted on the division's website within three (3) working days following the decision.

*(Natural Resources Commission; 312 IAC 16-6-5)*

## **Rule 7. Drilling unit and spacing requirements for vertical and directional coal bed methane wells**

SECTION 18. 312 IAC 16-7 IS ADDED TO READ AS FOLLOWS.

### **312 IAC 16-7-1 Applicability of rule**

Authority: IC 14-37-3-4

Affected: IC 14-37

Sec. 1. **This rule establishes drilling unit and spacing requirements for vertical and directional coal bed methane wells.** *(Natural Resources Commission; 312 IAC 16-17-1)*

### **312 IAC 16-7-2 Exemptions**

Authority: IC 14-37-3-4

Affected: IC 14-37

Sec. 2. (a) **Except as provided in subsection (b), this rule establishes drilling unit and spacing requirements for vertical and directional coal bed methane wells.**

(b) **The following coal bed methane wells are exempt from the drilling unit and spacing requirements of this rule:**

(1) **a noncommercial coal bed methane well, if:**

(A) **not located within six hundred sixty (660) feet from an existing commercial coal bed methane well producing from the same coal seam; or**

(B) **a written waiver is granted by the adjacent well owner; and**

**(2) coal bed methane wells producing methane from any of the following:**

- (A) a void created by mining out a coal seam;**
- (B) a pillar inside the mined out area of an abandoned underground coal mine; or**
- (C) gob created by longwall or other methods of coal extraction.**

*(Natural Resources Commission; 312 IAC 16-17-2)*

**312 IAC 16-7-3 Drilling units for vertical and directional coal bed methane wells**

Authority: IC 14-37-3-4

Affected: IC 14-37

**Sec. 3. (a) Except as otherwise provided in this section, drilling units for vertical and directional coal bed methane wells shall consist of a quarter quarter section of land containing forty (40) acres more or less as established by the rectangular surveying system of the official public land survey of the state.**

**(b) If irregular sections contain more or less than six hundred forty (640) acres, rectangular drilling units shall be established as closely as practicable to a regular quarter quarter section but may be more or less than forty (40) acres proportionately based upon the size of the irregular portion of the section.**

**(c) If the land survey system consists of rectangular shaped survey units of similar size, including donations, military grants, and similar circumstances, the division director may approve rectangular drilling units of uniform size derived from regular subdivisions closest in size to the drilling unit specified under subsection (a).**

**(d) If the land survey system consists primarily of irregularly shaped survey units including, locations, surveys, reserves, and similar circumstances, the division director may approve alternate drilling units established by a uniform grid overlaid upon the irregularly shaped survey units to define the boundary and size of individual drilling units. The size of the drilling units within the grid shall be approximately the same size as drilling units specified under subsection (a).**

**(e) If all the area within an individual drilling unit specified under subsections (c) through (f) is communitized or otherwise under common ownership or control by the operator, more than one (1) coal bed methane well may be drilled within the drilling unit, if:**

**(1) The operator demonstrates to the division director that drilling additional wells is reasonably necessary for more efficient recovery of methane and would not result in waste.**

**(2) The wells meet the spacing requirements of section 4 of this rule.**

**(f) The division director may approve a drilling unit plan with spacing for other than forty (40) acres per well, if an operator demonstrates each of the following:**

**(1) The operator plans to drill multiple wells within an area of common development larger than forty (40) acres; and**

**(2) The area within the common development area is pooled or otherwise under common ownership or control by the operator;**

**(3) The alternate drilling unit plan is necessary for more efficient recovery of methane and would not result in waste.**

**(4) The wells meet the spacing requirements of section 4 of this rule.**

**(g) The division director may approve drilling units smaller than those specified in subsections (a) through (d) if the applicant demonstrates geologic features within the unit justify the smaller sizes. An example is an area where washouts or cutouts are of sufficient size and nature that coal and associated formations capable of containing methane are not present within a significant portion of a standard drilling unit boundary. Before approving an alternate drilling unit size under this subsection,**

**the division director shall consult with owners of coal bed methane interests whose property would be excluded from the standard drilling unit and provide them with an opportunity to review and object to the applicant's request.**

*(Natural Resources Commission; 312 IAC 16-17-3)*

**312 IAC 16-7-4 Spacing requirements for vertical and directional coal bed methane wells**

Authority: IC 14-37-3-4

Affected: IC 14-37

**Sec. 4. The location of vertical or directional coal bed methane wells shall not be less than three hundred thirty (330) feet from the boundary of any adjacent coal bed methane drilling unit not owned or controlled by the applicant, unless:**

**(1) a written waiver is granted by the owners of the coal bed methane in the drilling unit adjacent to the proposed well; or**

**(2) the applicant demonstrates the closer spacing would not result in significant drainage of methane from the adjacent drilling unit that would otherwise be economically recoverable from a coal bed methane well drilled on the adjacent drilling unit.**

*(Natural Resources Commission; 312 IAC 16-17-4)*

**Rule 8. Drilling unit and spacing requirements for horizontal and coal bed methane wells**

SECTION 19. 312 IAC 16-8 IS ADDED TO READ AS FOLLOWS.

**312 IAC 16-8-1 Applicability of rule**

Authority: IC 14-37-3-4

Affected: IC 14-37

**Sec. 1. (a) This rule establishes drilling unit and spacing requirements for horizontal coal bed methane wells.**

**(b) A coal bed methane well may be developed with one (1) or more horizontal drain holes drilled from a single vertical wellbore and may be considered a single well and permitted under IC 14-37, and 312 IAC 16. (Natural Resources Commission; 312 IAC 16-8-1)**

**312 IAC 16-8-2 Drilling units for horizontal coal bed methane wells**

Authority: IC 14-37-3-4

Affected: IC 14-37

**Sec. 2. If a horizontal drain hole will extend beyond the boundary of the drilling unit established by 312 IAC 16-7-3(a) through (d) for a vertical well, the horizontal well drilling unit must include all contiguous drilling units through which the horizontal drain hole will be drilled. (Natural Resources Commission; 312 IAC 16-8-2)**

**312 IAC 16-8-3 Spacing requirements for horizontal coal bed methane wells**

Authority: IC 14-37-3-4

Affected: IC 14-37

Sec. 3. (a) A horizontal well must satisfy the spacing requirements of 312 IAC 16-7-4 at every point along the horizontal drain hole portion of the well.

(b) The surface location and vertical portion of the horizontal well may be located on property outside the boundary of the horizontal well drilling unit, if the property is owned or leased by the operator. *(Natural Resources Commission; 312 IAC 16-8-3)*

**Rule 9. Construction, completion, and reporting for coal bed methane wells**

SECTION 20. 312 IAC 16-9 IS ADDED TO READ AS FOLLOWS:

**312 IAC 16-9-1 Applicability of rule**

Authority: IC 14-37-3-4

Affected: IC 14-37

Sec. 1. This rule establishes requirements for the construction and completion of coal bed methane wells and for reporting well information to the division. *(Natural Resources Commission; 312 IAC 16-9-1)*

**312 IAC 16-9-2 Construction of coal bed methane wells**

Authority: IC 14-37-3-4

Affected: IC 14-37

Sec. 2. Coal bed methane wells must be constructed according to the casing and cementing requirements of 312 IAC 16-5-9. *(Natural Resources Commission; 312 IAC 16-9-2)*

**312 IAC 16-9-3 Reports of well construction, completion and stimulation**

Authority: IC 14-37-3-4

Affected: IC 14-37

Sec. 3. (a) Unless specified otherwise in this rule, well logs and completion or recompletion reports must be submitted to the division under 312 IAC 16-5-17.

(b) If a directional or horizontal coal bed methane well is drilled, a directional survey must be made and a copy provided to the division along with any other well completion records required under 312 IAC 16-5-17. The survey must also identify any locations where the horizontal drain hole deviated into strata above or below the coal seam.

(c) If an operator makes a substantial change to an approved well stimulation plan, a revised plan must be submitted to the division for review and approval before the operator commences well stimulation. For purposes of this subsection, a substantial change includes each of the following:

(1) A change in the source of base carrier fluid to the use of a base fluid other than the use of water, produced water, or other base fluids as previously identified.

(2) An increase of more than fifty percent (50%) from the maximum total volume of base fluid as previously specified.

(3) An increase of more than twenty-five percent (25%) from either the maximum surface treating pressure or the injection treating pressure as previously identified.

(d) The division shall prescribe a form for an operator of a coal bed methane well to report the details of well stimulation operations. The operator must submit a completed form if a well

completion or recompletion report is filed under 312 IAC 16-5-17. The operator must provide the following information:

- (1) The volume and source of base stimulation fluids used.
- (2) The type and amount of proppant used.
- (3) The volume and description of each additive product used, including each of the following:
  - (A) The rate or concentration of the additive product expressed (for examples) as pounds per thousand gallons, gallons per thousand gallons, pounds per gallon, percent by weight, percent by volume, parts per million, or parts per billion.
  - (B) The trade name of the additive product used as identified by a manufacturer on the MSDS.
  - (C) A description of the type of or purpose for each additive product used.
  - (D) Unless a copy was previously submitted to the division, a copy of the MSDS for each additive product used.
- (4) The maximum surface treating pressure and injection treating pressure.
- (5) Any other information reasonably required by the form.
- (e) Copies of the following additional information must be submitted along with the well stimulation report:
  - (1) Well service company job tickets or similar reports which provide a summary of the products used and the services performed with respect to the well stimulation operation. The reports are not required to include cost information for the products or services used.
  - (2) Pressure recording charts or graphs generated during hydraulic fracturing operations.
  - (3) All logs or surveys performed to calculate or map the fracture length and height.
  - (f) Following a review of the well stimulation report or other physical evidence, if the division determines that hydraulic fracturing operations conducted by an operator have the potential to result in an adverse impact upon underground sources of drinking water, the operator may be required to monitor groundwater and take other measures necessary to survey the potential extent of an adverse impact and to protect groundwater users from adverse impacts resulting from the hydraulic fracturing operations. (*Natural Resources Commission; 312 IAC 16-9-3*)

#### **Rule 10. Identification of commercially minable coal resources**

SECTION 21. 312 IAC 16-10 IS ADDED TO READ AS FOLLOWS:

##### **312 IAC 16-10-1 Identification of commercially minable coal resources**

Authority: IC 14-37-3-4

Affected: IC 14-37

Sec. 1. (a) Regardless of the depth or thickness of a coal seam, the following are considered to be commercially minable coal resources:

- (1) A coal seam associated with an underground mine permitted under IC 14-34 which is specifically intended to be mined under the permit.
- (2) A coal seam associated with an inactive underground mining operation permitted under IC 14-34 at which mining operations have temporarily ceased and are anticipated to be resumed by the person with the right to develop the seam.
- (3) A coal seam which has been identified as a commercially minable coal resource according to the requirements of subsection (c) by the owner or lessee or other person with the rights to develop the coal seams as depicted on a map accompanied by an affidavit that:
  - (A) is filed with the division; and



(B) states the coal in the seam is being held for later commercial production by underground mining methods.

(b) For purposes of identifying the location of coal seams described under subsection (a)(1) and subsection (a)(2), the division shall consult with the division of reclamation periodically to identify the location of coal seams that are intended to be mined under a permit issued under IC 14-34 for underground coal mining operations. The division shall make these coal seams available for viewing on its website.

(c) For purposes of identifying the location of coal seams described under subsection (a)(3), an owner, lessee, or other person with the right to develop a coal seam by underground mining methods may submit the following to the division:

(1) A map prepared by an engineer licensed under IC 25-31, or a geologist licensed under IC 25-17.6, identifying the coal seam or coal seams by name and showing all of the following:

(A) The location of coal that the owner or lessee controls by deed, lease, or other instrument for later commercial production.

(B) The location of coal that is in an area targeted for later commercial production.

(C) The location of the coal seam or seams of interest.

(D) The approximate depth and thickness of the coal seam or seams of interest.

(E) The location of a coal seam which is associated with a mine referred to under subsection (a)(1) or subsection (a)(2) that is projected to be mined in the future even though the coal seam is outside the boundary of the current permitted area.

(2) An affidavit signed by an engineer licensed under IC 25-31 or a geologist licensed under IC 25-17.6 that states any coal seam identified on the map:

(A) can be mined using generally accepted underground mining practices; and

(B) is of sufficient quantity and quality to be commercially saleable.

(d) As provided under IC 14-37-7-8, except for the name of the person and coal owner or lessee who filed the map and affidavit under subsection (c), the division shall maintain the map and affidavit as confidential.

(e) Upon:

(1) inquiry from a person with an interest in oil and gas exploration or drilling operations; or

(2) receipt of a permit application for a well for oil and gas purposes;

the division shall determine if the proposed well location is in an area underlain by commercially minable coal seams identified under this section. (*Natural Resources Commission; 312 IAC 16-10-1*)

### **312 IAC 16-10-2 Identification of additional commercially minable coal resources**

Authority: IC 14-37-3-4

Affected: IC 14-37

Sec. 2. (a) A coal seam other than a seam described in Section (1) of this rule, may also be considered a commercially minable coal resource if information is submitted to the division showing that the coal seam meets all of the following criteria:

(1) Based on core analysis information or other reliable methods, the coal seam is believed to be minable using generally accepted underground practices and suitable equipment;

(2) Based on sufficient core data or other reliable sources of information, it is likely that the coal exists in sufficient quantities and is of sufficient quality to be commercially saleable; and

(3) The seam is:

(A) at least thirty-six (36) inches thick; and

(B) located not more than eight hundred (800) feet below the surface.

(b) A submittal to designate a coal seam as a commercially minable coal resource under this section must include the following:

(1) a map depicting the boundary of the area within which the designated coal seam is believed to be commercially minable based on core data or other site specific investigations;

(2) a description of the source and type of data used to support the determination the designated coal seam is believed to be of sufficient quantity and quality to be considered commercially minable; and

(3) the name, address, and qualifications of the person submitting the information.

(c) After consultation with the Indiana geological survey and the division of reclamation, including a review of coal information reports published by the Indiana geological survey, the division will determine whether there is a sufficient basis to consider a coal seam under this section to be a commercially minable coal resource.

(d) The division shall make the location of coal seams identified as commercially minable coal resources, under this section, available for viewing on its website.

(e) A person with either:

(1) an interest in drilling a well for oil and gas purposes; or

(2) an existing well for oil and gas purposes;

in an area with commercially minable coal identified under this section, may rebut the determination in a proceeding conducted under IC 4-21.5. (*Natural Resources Commission; 312 IAC 16-10-2*)

**Rule 11. Permitting of wells for oil and gas purposes in areas underlain by commercially minable coal resources.**

SECTION 22. 312 IAC 6-11 IS ADDED TO READ AS FOLLOWS:

**312 IAC 16-11-1 Applicability of rule**

Authority: IC 14-37-3-4

Affected: IC 14-37

Sec. 1. This rule establishes requirements for the locating and permitting of all wells for oil and gas purposes in areas underlain by commercially minable coal resources identified under 312 IAC 16-10. (*Natural Resources Commission; 312 IAC 16-11-1*)

**312 IAC 16-11-2 Prevention of waste of commercially minable coal resources and protection of underground miners**

Authority: IC 14-37-3-4

Affected: IC 14-37

Sec. 2. (a) For purposes of this rule, "waste of the volume of coal" means locating, spacing, drilling, equipping, operating, or producing a well for oil and gas purposes in a manner that unreasonably reduces or tends to unreasonably reduce the quantity of commercially minable coal resources ultimately to be recovered from a mine.

(b) Unless the coal owner or coal lessee authorize the drilling of a coal bed methane well as provided under IC 14-37-4-8.5(d)(2), the division may require an owner or operator to make reasonable modifications to the specific location for the drilling of any well for oil and gas purposes if a finding is made that the modifications:

(1) are necessary to protect commercially minable coal resources from waste;

- (2) do not violate the drilling unit, well spacing, or other requirements of IC 14-37; and
- (3) are necessary to protect the health and safety of miners. (*Natural Resources Commission; 312 IAC 16-11-2*)

**312 IAC 16-11-3 Determining whether a proposed well for oil and gas purposes is underlain by commercially minable coal resources**

Authority: IC 14-37-3-4

Affected: IC 14-37

Sec. 3. Before submitting an application for a well for oil and gas purposes to the division, the applicant should determine whether the proposed well location is underlain by any of the following commercially minable coal resources:

- (1) a coal seam on land within the permit boundary of an active underground mine permitted under IC 14-34;
- (2) a coal seam on land within the permit boundary of an inactive underground mine permitted under IC 14-34; or
- (3) a coal seam associated with a mine permitted under subdivision (1) or subdivision (2) which is projected to be mined and identified by a coal interest owner as required under 312 IAC 16-10-(c)(1)(E). (*Natural Resources Commission; 312 IAC 16-11-3*)

**312 IAC 16-11-4 Notice of intent to drill a well on land underlain by commercially minable coal resources; filing objections to well permits; and informal hearings**

Authority: IC 14-37-3-4

Affected: IC 14-37

Sec. 4. (a) The owner or operator of a well proposed to be drilled on lands identified under section 3 of this rule must provide notice of the intent to drill a well to:

- (1) the permittee of the mine; or
- (2) for an inactive mine, to the person with the right to develop the coal resource.
- (b) The notice required under subsection (a) is not required if the permittee of the mine consents in writing to the placement of the well.
- (c) The notice required under subsection (a) must follow a format prescribed by the division and must be accompanied by a plat showing the specific location of the proposed well.
- (d) The permittee of the mine or other person with the right to develop the coal resource must respond within fifteen (15) days of receipt of the notice whether the specific location for the drilling of the well is likely to result in either or both of the following:
  - (1) A significant waste of the volume of coal ultimately to be recovered from the underground mine; or
  - (2) Endangerment of the health and safety of miners.
- (e) A person that makes an affirmative determination under subsection (d) with respect to waste of the volume of coal or the endangerment of the health and safety of miners must:
  - (1) promptly provide a copy of the determination to the owner or operator of the proposed well and to the division; and
  - (2) identify alternative well locations that would:
    - (A) reduce or avoid waste of the volume of coal ultimately to be recovered from the underground mine;
    - (B) eliminate the likelihood of endangerment of the health and safety of miners;

(C) not violate the drilling unit, well spacing, or other requirements of IC 14-37; and

(D) not result in waste of oil and gas resources as defined under IC 14-8-2-302.

(f) If the permittee (or other owner of the right to mine the coal resource) fails to respond within the specified fifteen (15) day period provided under subsection (d), the owner or operator may file a permit application for the specified location.

(g) If the permittee (or other owner of the right to mine the coal resource) and the owner or operator of the proposed well agree on a suitable alternate location, the owner or operator may file a permit application for the specified alternate location.

(h) If the permittee (or other owner of the right to mine the coal resource) and the owner or operator of the proposed well are unable to agree on a suitable location for the well, which is not likely to result in endangerment of the health and safety of miners, any of them may request an informal hearing under IC 14-37-3-16.

(i) Within thirty (30) days after receipt of a request for an informal hearing, the division director must conduct the informal hearing for the purposes of gathering the following information:

(1) Whether the proposed well location is in an active, inactive, abandoned, or projected underground coal mine permit area.

(2) Whether the proposed well location is in an unsealed inactive area or a sealed area of an active coal mine with the potential for the drilling of the well to introduce oxygen into the area.

(3) The proximity and size of coal pillars in an alternate location that might be drilled through, including whether the alternate location is in a panel or in a support for a sub-main or main entry.

(4) The equipment technology, operating, and drilling experience history of the owner or operator.

(j) Within fifteen (15) days after the conclusion of the informal hearing and the submittal of any follow-up information which the division director requests from the participants, the division director shall determine whether:

(1) a suitable alternate well location can be identified that is not likely to result in endangerment of the health and safety of miners; and

(2) the location for the well for which notice was provided under subsection (a) is not likely to result in endangerment of the health and safety of miners.

(k) If after the informal hearing the division director:

(1) is unable to identify a suitable alternate location for the well that is not likely to result in endangerment of the health and safety of miners; and

(2) the location for the well for which notice was provided under subsection (a) is not likely to result in endangerment of the health and safety of miners;

the owner or operator is not required to modify the location of the proposed well and may submit a permit application to the division under IC 14-37. (*Natural Resources Commission; 312 IAC 16-11-4*)

**Rule 12. Construction and completion of wells for oil and gas purposes in areas underlain by commercially minable coal resources.**

SECTION 23. 312 IAC 6-12 IS ADDED TO READ AS FOLLOWS:

**312 IAC 16-12-1 Applicability of rule**

Authority: IC 14-37-3-4

Affected: IC 14-37

Sec. 1. (a) This rule establishes requirements for the completion of wells for oil and gas purposes in areas underlain by the following commercially minable coal resources:

**(1) Areas within the permit boundary of an active or inactive underground mine permitted under IC 14-34.**

**(2) Areas designated by the owner, lessee, or other person with the right to develop the coal seam under IC 14-37-7-8 and 312 IAC 16-10-1. (*Natural Resources Commission; 312 IAC 16-12-1*)**

**312 IAC 16-12-2 Casing and cementing of wells completed in areas underlain by commercially minable coal resources**

Authority: IC 14-37-3-4

Affected: IC 14-37

**Sec. 2. (a) For wells completed in areas underlain by commercially minable coal resources identified under section (1), the owner or operator must set a production string of casing properly centralized and cemented to ensure that adequate cement is placed behind the casing in the area between fifty (50) feet below and one hundred (100) feet above the commercially minable coal seam.**

**(b) Following completion of the coal seam protection requirements of subsection (a), the owner or operator must prepare and submit to the division an affidavit on a form prescribed by the division that includes the following:**

**(1) Verification that the commercially minable coal resource was protected as required by subsection (a).**

**(2) A cross-section drawing of the well showing the location of each centralizer in the completed well.**

**(3) Evidence that adequate cement was circulated behind the casing as required by subsection (a) including cement tickets showing the volume and type of cement used and copies of any cement bond-variable density logs or other similar logs that were run.**

**(c) The division director may require the owner or operator to run a cement bond-variable density log or other similar logging procedure to determine the adequacy of cement bonding if the division director finds either:**

**(1) adequate cement has not been circulated to protect the commercially minable coal resource; or**  
**(2) centralizers were not placed at locations necessary to properly centralize the casing through the coal seam.**

**(d) If any logging procedure run under subsection (c) indicates that adequate cement bonding has not occurred between fifty (50) feet below or one hundred (100) feet above the commercially minable coal resource, the owner or operator must perform remedial action as ordered by the division director to ensure adequate protection of the coal seam.**

**(e) An original copy of the affidavit required under subsection (b) and any logs run under subsection (c) must be submitted to the division within thirty (30) days after the later of the following:**

**(1) construction of the well was completed; or**  
**(2) completion of any logging procedure under subsection (c).**

**(f) Concurrent with the submission of the affidavit and any logs to the division under subsection (e), the owner or operator must also submit copies of the documents to any known owner or operator of the commercially minable coal resource.**

**(g) If the division director finds evidence of a failure to adequately protect a coal seam by an owner or operator under the requirements of this section, the owner or operator must perform additional remedial actions to ensure protection of the coal resource and the health and safety of miners. Significant water, gas, or other fluid movement through the annular space outside the protective casing string and into an underground mine is evidence of a failure to adequately protect the coal seam.**

**(h) Running any log under subsection (c) or conducting any remedial actions under subsection (g) are at the expense of the owner or operator. (*Natural Resources Commission; 312 IAC 16-12-2*)**

SECTION 24. 312 IAC 16-1-8, 312 IAC 16-5-4 AND 312 IAC 16-5-5 ARE REPEALED.